

OREGON FARM ECONOMY - 2002

Cash receipts for Oregon in 2002 once again remained flat in aggregate. Production expenses were down slightly, yielding a modest increase in net farm income. At \$705 million, the cost of agricultural labor is the single highest expense to Oregon farmers.

Capital consumption is an expense category that has risen persistently in recent years (pg. 11).

The net farm income per farm, at \$9,410, may seem low in part because of the official definition of a farm, which is any place from which \$1,000 or more agricultural products were produced and sold, or normally would have been sold, during the calendar year. The \$1,000 level has not changed since 1974 so there is a significant difference between real and nominal dollars.

Consider that for the last Census of Agriculture (1997), the number of farms with sales below \$10,000 accounted for almost 62 percent of Oregon's total farms. Those numerous but smaller farms accounted for less than two percent of the total value of sales. New census data for 2002 will follow this publication.

Total government program payments decreased significantly for the second year in a row. This 2002 aggregate is the lowest in Oregon since 1997.

Farm asset increases (pg. 11) continue to be driven by increases in real estate values. Farm debt increased slightly, with most of the increase from real estate debt. Debt/equity and debt/asset ratios decreased slightly.

Exports are one of the keys to Oregon's agriculture economy. However, there is a dearth of solid export data at the state level. Export data are estimated nationally and then prorated to states without hard data for each state. The Oregon Agricultural Statistics Service has collected farm sales data by destination for some commodities, but not each year.

Of the top five cash receipts commodities (pg. 10), greenhouse and nursery products, cattle and calves, milk, hay and Christmas trees, all but milk showed increases. The next five were mixed, with potatoes, ryegrass seed, and fescue seed showing decreases but wheat and onions showing increased cash receipts.

Gross and net income from farming: Oregon, 1998-2002

Item	1998	1999	2000	2001	2002
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
Cash receipts from farm marketings	2,963.0	2,988.3	3,114.4	3,134.0	3,143.5
Government payments	100.7	105.6	137.4	104.9	80.3
Farm related income ^{1/}	358.7	401.9	386.1	352.4	325.5
Non-money income ^{2/}	251.4	253.5	255.5	270.1	274.7
Value of inventory adjustments	21.1	(46.7)	(43.1)	(29.3)	(26.5)
Gross farm income total	3,694.9	3,702.6	3,850.3	3,832.1	3,797.5
Production expenses total	3,170.8	3,360.4	3,411.5	3,506.8	3,411.7
Net total farm Income	524.1	342.2	438.8	325.3	385.8
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Net farm income per farm	13,268.0	8,449.0	10,970.0	8,133.0	9,410.0
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Rate of return from current income ^{3/}	2.94	1.87	2.35	1.67	1.91

^{1/} Includes machine hire/custom work, farm forest product sales and other farm business-related income.

^{2/} Includes value of home consumption and rental value of operator's hired laborers' dwellings.

^{3/} Returns to operators from net farm income divided by total assets (operator's capital investment).

Source: US Department of Agriculture, Economic Research Service, State Financial Summary. <http://www.ers.usda.gov/Data>